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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	
	:	Chapter 11
ERICA ITZHAK,	:	
	:	Case No.: 24-10669 (JPM)
Debtor.	:	
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STATUS REPORT

TO: THE HONORABLE JOHN P. MASTANDO III
UNITED STATES BANKRUPTCY JUDGE

Erick Itzhak (the “**Debtor**”) by her attorneys, Tarter Krinsky & Drogin LLP, submits this status report as directed by the Court at the last status hearing, and represents and states as follows:

1. The Debtor’s bankruptcy case was filed on April 19, 2024 (the “**Petition Date**”). Initially, the Debtor filed a pro se Chapter 13 case. Subsequently, the Debtor’s Chapter 13 case was converted to a Sub V Chapter 11 Case.
2. As set forth in various pleadings, as well as the Debtor’s Plan of Reorganization (the “**Plan**”) filed under ECF No. 51, the Debtor’s need for bankruptcy relief stems from a judgment entered against the Debtor (a practicing lawyer) in a malpractice lawsuit in the Supreme Court of the State of New York, County of Nassau.
3. The procedural history related to the malpractice judgment is somewhat

convoluted and set forth in some detail in the background section of the Plan as well as the stay relief motion filed under ECF No. 19.

4. Since the conversion to Chapter 11, the Debtor has made substantial efforts to engage all the key constituents in a settlement meeting with the Subchapter V trustee (the “**Trustee**”). The Trustee has agreed to meet with all the key constituents and the Debtor in an attempt to reach an agreement with respect to a consensual plan.

5. The key constituents are Yossef Kahlon (“**Kahlon**”), the holder of a malpractice judgment against the Debtor, Paul Verner (“**Verner**”) and Verner’s malpractice carrier. The Debtor and the Trustee have had one meeting with Kahlon’s counsel to discuss a potential settlement and compromise of Kahlon’s judgment.¹

6. The Debtor is a plaintiff in a legal malpractice lawsuit against Verner pending in the United States District Court for the Southern District of New York (the “**Verner Malpractice Action**”). A copy of a recent order entered by the magistrate judge handling the Verner Malpractice Action is annexed hereto as **Exhibit “A”**.

7. Very recently, counsel for Verner has agreed to meet with the Debtor and the Trustee on December 4, 2024 at 10:00 a.m. to attempt to reach a settlement of the Verner Malpractice Action which if successful should lead to the filing of largely consensual plan. The Debtor understands a representative of Verner’s malpractice insurance carrier will also be in attendance at this meeting.

¹ Coincidentally, the same law firm represents Kahlon and Verner in the malpractice lawsuit the Debtor commenced against Verner.

8. The Debtor respectfully requests the Court schedule a further status conference for mid to late December of 2024.

Dated: New York, New York
October 29, 2024

TARTER KRINSKY & DROGIN LLP
Attorneys for Debtor Erica Itzhak
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EXHIBIT A

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

ERICA T YITZHAK, et al.,

Plaintiffs,

-against-

PAUL WILLIAM VERNER, et al.,

Defendants.

23-CV-2084 (MMG) (OTW)

ORDER

ONA T. WANG, United States Magistrate Judge:

The Court held a status conference on Tuesday, October 15, 2024. As **ORDERED** at the October 15, 2024, Conference:

- 1) Plaintiffs' motion for a pre-motion conference (ECF 55, 56) is **DENIED as moot**. The parties are directed to meet and confer regarding Plaintiffs' discovery demands, as narrowed on the record at the October 15 Conference, and any potential objections. If the parties cannot resolve this dispute through rolling document production, Defendants are directed to serve on Plaintiffs their responses and objections by **November 15, 2024**.
- 2) Defendants' motion to extend discovery (ECF 61) is **GRANTED**. Fact discovery is hereby extended until **December 6, 2024**, without prejudice to further extensions.
- 3) Defendants' motion to consolidate (ECF 58) this case with the case currently pending before the Eastern District of New York (24-cv-3552), is **DENIED**.
- 4) The parties are directed to meet and confer and file a 26(f) Report by **November 15, 2024**.

- 5) If the parties intend to pursue global settlement discussions, they must keep all courts informed, and may seek a stay of discovery pending settlement discussions.

The Clerk of Court is respectfully directed to close ECF 55, 56, 58, and 61.

SO ORDERED.

Dated: October 16, 2024
New York, New York

s/ Ona T. Wang
Ona T. Wang
United States Magistrate Judge